

March 19, 1996

LB 1176
LR 292

SPEAKER WITHEM: Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, I, too, would oppose the amendment and certainly concur in Senator Kristensen's comments. The three entities of government that are left or four entities actually, county, city, village, and school districts, are in there very specifically. The issue of taxing motor vehicles has been introduced a number of times. Legislation has not been forwarded from the committee except for this year and, of course, as indicated, will not be acted upon this year. But one of the problems with the existing constitutional provisions is that efforts to change this in the past, in part because of the existing constitution, you had to get the levies or the fees so high that you actually generated a lot more money on a statewide basis than was currently being raised and that became a necessity. This amendment will help relieve that problem. The reasons that cities and counties in LB 1176, which will not be taken up, got a portion of it, it was intended to replace property tax that currently is assessed for roads and streets across the state by counties and cities. There is at least \$64 million raised statewide for this purpose and these funds, from automobiles, which in effect is a user fee, could have been used by local governments then to replace that lost revenue from property tax in the event because of levy limits they did not have the funds any longer available. So part of the design was to take that effect. But I would hope that the change would remain in the constitutional provision to give greater flexibility for the Legislature. The money still has to go, as Senator Kristensen has indicated, to those four entities of local government but would provide some flexibility in directing how those funds could be used in part to provide the... to address some of the issues of levy limitations. And, secondly, the funds also would, in the case of schools, would direct the funds toward those schools that have the greatest need. So for those reasons I would hope the body would reject the proposed amendment to the bill.

SPEAKER WITHEM: Thank you, Senator Warner. Senator Bernard-Stevens.

SENATOR BERNARD-STEVENS: Senator Warner, I guess I'd like to ask you a question. I was going to ask Senator Kristensen but I don't see him right off the bat. Senator Warner, on the average, when the Revenue Committee looked at the education